



THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY

NOTICE OF PUBLIC HEARING

D.T.E. 06-71

August 28, 2006

Petition of Southern Union Company for authorization and approval pursuant to G.L. c. 164, §§ 14 and 16: (1) to issue up to \$600 million of long-term debt, and (2) to issue an additional 2.0 million shares of common stock in order to administer Southern Union's Second Amended 2003 Stock and Incentive Plan; and for an exemption from the provisions of G.L. c. 164, §§ 15 and 15A associated with the long-term debt issuance.

On August 28, 2006, Southern Union Company ("Southern Union" or "Company") filed a petition with the Department of Telecommunications and Energy ("Department") requesting approval: (1) to issue up to \$600 million of long-term debt pursuant to G.L. c. 164, §§ 14 and 16; (2) to issue up to an additional 2.0 million shares of common stock in order to administer Southern Union's Second Amended 2003 Stock and Incentive Plan (the "Amended Stock Option Plan"), pursuant to G.L. c. 164, §§ 14 and 16; and (3) to exempt the long-term debt issuance from the provisions of G.L. c. 164, §§ 15 and 15A. G.L. c. 164, § 14 requires gas companies to obtain the approval of the Department prior to issuing indebtedness payable at a period of more than one year. G.L. c. 164, § 15 requires gas companies to advertise and invite proposals for the purchase of stock or indebtedness when the face amount is one million dollars or more. G.L. 164, § 15A prohibits gas companies from issuing stock or indebtedness at less than par value. According to the Company, it will use the proceeds of the long-term debt to refinance existing debt and it will use the Amended Stock Option Plan to assist in maintaining an experienced workforce.

The Department will conduct a public hearing on Tuesday, **September 19, 2006**, at 10:00 a.m. at the Department's offices, One South Station, 2nd Floor, Boston, Massachusetts 02110. Immediately following the public hearing, the Department will hold an evidentiary hearing on this matter.

The Company's petition may be inspected at the Department's offices, at One South Station, 2nd Floor, Boston, Massachusetts, Monday through Friday, between the hours of 9:00 a.m. and 5:00 p.m., and at the offices of the Company at the offices of the Company's counsel, Keegan Werlin LLP, 265 Franklin Street, Boston, Massachusetts 02110.

Any person who desires to file written comments or to otherwise participate in this proceeding shall submit an original and two (2) copies of such written comments, or a written petition for leave to intervene, no later than 5:00 p.m. on **September 15, 2006**, with Mary L.

Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110. One copy of all written comments or petitions to intervene should be sent to the Company's attorney, Cheryl M. Kimball, Keegan Werlin LLP, 265 Franklin Street, Boston, Massachusetts 02110.

A petition for leave to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03, including a description of the manner in which the petitioner is substantially and specifically affected by this proceeding. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A late filed petition may be disallowed as untimely, unless good cause is shown under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

All written comments or petitions to intervene should be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us or (2) on a 3.5" disk, IBM-compatible format. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding (D.T.E. 06-71), (2) name of the person or company submitting the filing, and (3) a brief descriptive title of the document. The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Word Perfect (naming the document with a ".wpd" suffix), in Microsoft Word (naming the document with a ".doc" suffix), or as an Adobe PDF file (naming the document with a ".pdf" suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. All written pleadings or comments submitted in electronic format will be posted on the Department's Website: <http://www.mass.gov/dte>.